

Learning Organizational Practices and Job Satisfaction: A Case of IT Sector of Karachi

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Abstract

With the increase of globalization and technological advancements since the last few decades, organizations have gone through several changes in terms of workplace diversity, learning differentiation as well as organizational culture. This study aims to test the relationship between Learning Organization and Job Satisfaction in the IT Sector of Karachi. Data were collected from 209 such employees of the IT sector who have been working for the same organization for at least one year. Multiple Regression Analysis was used as the statistical technique. It was found that two of the dimensions of learning organizational practices namely continuous learning and strategic leadership have a significant impact on job satisfaction in the IT Sector of Karachi. Hence, it is suggested that managers in the IT Sector of Karachi should design the jobs in such a manner that employees be able to learn continuously. Furthermore, it is suggested that researchers should study the learning organizational practices in relation to other work outcomes such as employee engagement and turnover intentions.

Keywords: Learning Organizational Practices, Job Satisfaction, IT Sector, Karachi

JEL Classification: A10, D10

INTRODUCTION

With the increase of globalization and technological advancements since the last few decades, organizations have gone through several changes in terms of workplace diversity, learning differentiation as well as organizational culture. In order to adapt to these changes, in most developed countries the concept of “Learning Organization” was brought in by organizational management to improve its culture and workplace behaviour. Razali, Amira and Shobri (2013) determine that the concept of organizational culture was first introduced back in 1990 by Peter Senge. With the help of learning organizations employees are most likely to achieve results desired by escalating their capacity to produce. Employees are supported to learn, nurture superior thinking patterns and freedom to express their ideas. The culture of learning organizations provides great help to their management in internal as well as external issues. The workforce is quick and proactive when it comes to adjusting their behaviour

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appropriately in a challenging environment. There are five factors that theoretically determine a learning organization which are “personal mastery, mental models, share the vision, team learning and system thinking (Ratna, Khanna, Jogishwar, Khattar & Agarwal, 2014). The model of learning organizations evolved gradually and currently, it consists of 7 factors which have been suggested by Egan, Yang and Bartlett (2004). As per Herzberg, hygiene factors such as Company Policy, Salary and Working Conditions do not motivate the employees, however, their absence may lead to dissatisfaction. On the other hand, Herzberg suggests motivational factors such as Recognition, Work-itself and Advancement can cause job satisfaction. Since, most of the studies, related to the job satisfaction pertains the factors that are related to the hygiene factor, however, this study seeks to explain the relationship between the organizational learning practices which is crucial for the advancement opportunities and the job satisfaction. Since, Herzberg suggests that career advancement are part of motivational factors, therefore this study is related to the Herzberg’s two-factor theory.

Pakistan is a developing country, as a result, the organization in the country have a scarcity of resources and at times do not even have the basic infrastructure. Therefore, organizations are unlikely to understand the importance of investing resources for building the learning culture. However, the IT sector is a little different sector than that of others, it is because of the reason that the IT sector usually has to compete with foreign firms. Moreover, globalization pushes rapid changes in technologies. Organizations engage with Information technology are need to be more focus on learning. The area of study which is going to be determined in this study is based on the learning organizations of Pakistan, specifically the Information sector and the impact which such model pose on the job satisfaction of employees. Since people are the main assets of any organization, keeping their satisfaction and motivation is also an important factor to be kept into account. The more enthusiastic and satisfied the employees are, the more likely it is for an organization to achieve its goal and meet its targets in the end. The main purpose of this paper is to determine the impact of learning organizational practices on job satisfaction in the information technology sector.

Learning plays a pivotal role both in the academic and corporate world and it helps in coping up with the emerging challenges (Senge, 1990; Werner & De Simone, 2009). Therefore, learning is important in creating a sustainable competitive edge. Ghayas and Hussain (2015) have argued that human resources are the most important resources of the firm. Furthermore, it was suggested that educational enhancement opportunities/learning opportunities are positively associated with job satisfaction. This points to the fact that employees who are considered as the most valuable resources for a firm consider learning as an important factor that may help in their career development. On the other hand, Egan et al. (2004) proposed that the impact of the learning organizational practices be tested against different work outcomes such as job satisfaction. Although, Ghayas and Hussain (2015) suggested that learning opportunities at work are correlated with job satisfaction, however, the topic of learning organizational practices and job satisfaction is still under-researched. Therefore, this research study seeks to explain the relationship between the two variables.

LITERATURE REVIEW

Theoretical Background

Leaders and organizational managers are always perusing for a competitive edge to motivate their human resource for effective work. Numerous motivational theories postulate toward maximizing value over time for effective performance. Herzberg's two-factor theory is a motivational theory that seeks to explain the two factors that may result in motivation or de-motivation to perform certain tasks and motivation to work (Herzberg, Mausner & Snyderman, 1959). The theory enlightens motivating factors that cause job satisfaction but there are some hygiene factors that cause dissatisfaction. The most important thing in this theory is that there is a neutral state between the satisfaction and the dissatisfaction. The theory is somehow contrary with the other motivational theories in a manner that the other theories focus more on the monetary rewards, whereas Herzberg (1959) considers them hygiene factors and states that pay and other monetary rewards do not motivate the employees, however, their absence may result in de-motivating the employees. As per Herzberg, the hygiene factors do not motivate the employees, however, their absence may lead to dissatisfaction. On the other hand, he suggests that Achievement, Recognition; Work itself, Responsibility & Advancement are the motivational factors. Since, most of the studies, related to the job satisfaction pertains the factors that are related to the hygiene factor, however, this study seeks to explain the relationship between the organizational learning practices which is crucial for the advancement opportunities and the job satisfaction. Since, Herzberg suggests that career advancement is a motivational factor, therefore this study is related to the Herzberg's two-factor theory.

Learning Organizations

More and more organizations are prioritizing development and learning. It is because of the reason that there is a general perception that most of the organizations that have failed in the past decade or so have failed because of the fact that these organizations were unable to adapt the environment they were working in. The culture of learning organizations provides great help to their management in internal as well as external issues. The workforce is quick and proactive when it comes to adjusting their behaviour appropriately in a challenging environment. There are five factors that theoretically determine a learning organization which are "personal mastery, mental models, share the vision, team learning and system thinking" (Ratna, Khanna, Jogishwar, Khatrar & Agarwal, 2014). However, Marsick and Watkins (2003) suggested seven dimensions instead of five. Egan et al. (2004) also supported the argument that there are seven dimensions of learning organizational practices. Learning the culture of an organization will explain the process of the dimension and structure within the context of an organization (Dekoulou and Trivellas, 2015). Therefore, organizations nowadays are focusing on the seven dimensions that have been proposed by Marsick and Watkins (2003).

Dimensions of Learning Organizational Practices

Marsick and Watkins (2003) originally proposed and imply dimensions of a learning organization on IT sector of US. Egan et al. (2004) also used the same dimensions. The first dimension proposed by Marsick and Watkins (2003) was Continuous learning. Marsick and Watkins (2003) suggested that continuous learning is a process where people are engaged in the learning process on the job. Promotion of Dialogue and Inquiry is the second dimension.

It was suggested that the Promotion of Dialogue and Inquiry help people gain reasoning skills. This also helps them express their views and provides the employees with the ability to inquire into the views of others. This culture of reasoning certainly helps the employees learn new things. Collaboration and team learning is the third dimension which explains that while working in groups, people learn from each other. It is so because when people work in groups, they are exposed to ideas of different people, this helps the members of the group to learn from each other. Whereas the Embedded System is the next in the list. On the other hand, the Environment Connection can be defined in terms of the connection between the people and the environment. People love to see how their efforts are making the difference in whatever they are doing, hence, people like to see the impact they are having on the organization as a whole. Therefore, people try to scan the environment to see that if their efforts are making any difference or as to how to adjust to the environment so that their efforts will be considered useful. Empowerment is also an important facet of organizational learning practices.

Marsick and Watkins (2003) further suggested that involving employees in setting and implementing a joint vision helps the employees feel empowered. This is so because people are always motivated to take responsibility because it brings authority as well. Last, but not the least Strategic Leadership is an important facet of these practices. Leadership uses learning strategically for business results. These leaders are important in creating learning organizations because they are the ones who are often teaching the employees new skills while they are performing the jobs. Hence, it is established that there are seven dimensions of learning organizational practices and this research study is based on these seven dimensions. Egan et al. (2004) also used these seven dimensions of learning organizational practices. Hence, it is established that there are seven dimensions of learning organizational practices and these dimensions can be used in researches that are being conducted on the topic of learning organizational practices.

Learning Organization and Job Satisfaction

A large number of researchers (Ashraf, Ahmad, Shaikh, Bhatti & Soomro, 2013; Ashraf, Ahmad, Shaikh & Bhatti, 2014) have studied job satisfaction. Rowden and Conine (2005) also studied learning at the workplace and job satisfaction. This research found the relationship that is significant between the learning at the workplace and how the workers and the employees are satisfied with their jobs. This study has emphasized the need for the managers in order to make the opportunities for learning that is available in order to enhance the satisfaction of the job. The study has also solidified the need in order to focus on something that is besides training. Dirani (2009) aimed to identify the relationships between the learning culture of the organization, job satisfaction of the employee and the commitment of the organization. Results showed a significant and positive correlation among the variables. Results have highlighted that the employees were committed when they are involved in owning, implementing and the setting the vision of the firms with the management. Results have highlighted that participating, sharing and collaborating among the employees at some levels that have approved the learning that is critical at the level of organization.

Egan et al. (2004) examined organizational learning culture and job satisfaction and found a significant impact of the culture learning organization that is associated with the job satisfaction and motivation that may transfer the learning. The turnover intention is negatively associated

with the learning of the culture of the organization and job satisfaction. The model which is conceptual suggests that there is a direct impact on learning the culture of the organization on the employee's job satisfaction that is perceived. Furthermore, Bakotić (2016) asserted that a higher level of job satisfaction among the employees results in higher organizational performance. Therefore, it is suggested that the learning culture of an organization and satisfaction of job could be used in order to predict the outcomes variables such as motivation of an employee in order to transfer learning and turnover intention. Similarly, Malik and Kanwal (2018) also suggested that organizational support for the learning practices fosters employee commitment. This, in turn, reinforces the view of Kianto, Vanhala, and Heilmann (2016) that the knowledge management practices result in the greater job satisfaction level of the workers. This points to the fact that the dimensions of learning organizational practices may have a significant association with job satisfaction. Hence, this research study seeks to test the relationship between the dimensions of learning organizational practices and job satisfaction. Hence, this research study seeks to contribute by looking into the association between the multi-dimensional model of leaning organizational practices and job satisfaction.

METHODOLOGY

This research uses the post-positivist critical realist research paradigm. Perry (2013) argued that case research is an emerging research methodology, which is particularly appropriate where realism paradigm is used. Yin (2017) suggested that there can be four types of case study research, embedded (multiple unit analysis) is one of the types of case research. In this research embedded (multiple unit analysis) is used as the data were collected from multiple firm operating within the IT Sector of Karachi. This is done so because of the fact that the IT Sector is the sector that is concerned the most about the learning organizational practices because of the nature of business. Hence, the data were collected from 209 such employees of the IT sector of Karachi who has been working for the same organization for at least one year. Twenty-one items have been adapted from DLOQ for measuring the Organizational Learning Practices, whereas, five items were used for measuring Job Satisfaction. Multiple Regression Analysis was used as the statistical technique, this is done so because the research aims to test the association between multiple independent variables and one dependent variable. For analysis, the following regression model has been developed:

$$JS = \alpha + \beta_1 CL + \beta_2 PDI + \beta_3 CTL + \beta_4 ES + \beta_5 EMP + \beta_6 SL + \beta_7 SC + \epsilon$$

Where JS = Job Satisfaction, CL = Continuous Learning, PDI = Promotion of Dialogue and Inquiry, CTL = Collaboration and Team Learning, ES = Embedded System, EC = Environment Connection, EMP = Empowerment, SL = Strategic Leadership, SC = System Connections, α is constant, β is regression coefficient and ϵ is the error term.

RESULTS AND FINDINGS

Reliability

Cronbach's alpha test was run to check the internal reliability. Nunnally (1978) proposed that the standard value of 0.70 or above reflects that data received from the questionnaire is reliable and can be used for further statistical analysis and interpretation of results. The Cronbach alpha values of the variables are given below:

Table 1: Internal Consistency

Variable Name	Number of Items	Cronbach alpha
<i>Job satisfaction</i>	5	0.906
<i>CL</i>	3	0.853
<i>PDI</i>	3	0.760
<i>CTL</i>	3	0.744
<i>ES</i>	3	0.804
<i>EMP</i>	3	0.817
<i>SC</i>	3	0.809
<i>SL</i>	3	0.819

Since all the studied variables have Cronbach alpha value of above 0.7 which is greater than the standard value proposed by Nunnally (1978) so it is concluded that there is no issue of reliability in this data.

Regression Results

In this research, the adjusted R square value for the regression model is 0.245 which shows that 24.5% of the variance in job satisfaction can be explained with the help of learning organizational practices dimensions. The F-statistics was 10.662 with the sig value of 0.000 indicating that the model is statistically fit.

Table 2: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity	
	B	Std. Error	Beta			Tolerance	VIF
<i>Constant</i>	2.659	.210		12.638	.000		
<i>CL</i>	.185	.080	.251	2.300	.022	.306	3.272
<i>PDI</i>	.047	.117	.053	.402	.688	.213	4.702
<i>CTL</i>	-.122	.114	-.142	-1.071	.286	.205	4.877
<i>ES</i>	.018	.085	.024	.215	.830	.296	3.375
<i>EMP</i>	.049	.078	.060	.623	.534	.390	2.562
<i>SC</i>	-.074	.087	-.104	-.854	.394	.247	4.049
<i>SL</i>	.312	.089	.398	3.514	.001	.283	3.538

a. → Dependent Variable: JS

This table discusses the unstandardized coefficient, standardized coefficient Sig value and collinearity statistics. This research model shows that all values are under 10. There is no multi-collinearity issue exist in this model. Sig value of strategic leadership was 0.001 with the T value 3.514 and the sig value for the continuous learning was 0.022 and its T value was 2.300. This indicates that these two variables have a significant impact on job satisfaction. On the other hand, the sig values of the remaining variables were greater than 0.05, indicating that the rest of the variables do not have a significant association with job satisfaction. Furthermore, the standardized coefficient value of strategic leadership is 0.398 which is greater than the

standardized coefficient value of continuous learning which is 0.251, indicating that the strategic leadership has a greater impact on the job satisfaction than the continuous learning.

Discussion

Marsick and Watkins (2003) proposed that there are seven types of learning organizational practices. Egan et al. (2004) also used the same dimensions. However, almost one and a half-decade after the study of Egan et al. (2004), almost no research has been done on the topic of learning organizational practices and job satisfaction. This research forwards the research of Egan et al. (2004) on learning organizational practices. Hence, this study provides the readers with the insight that how the practices of the learning organizations affect job satisfaction among the employees of the IT Sector. Ghayas and Hussain (2015) studied educational enhancement opportunities as a facet of job satisfaction. Although, educational enhancement opportunities are somewhat different than the learning organizational practices, however, it is argued that if educational enhancement opportunities are affecting the job satisfaction then learning organizational practices should also do the same. It is because of the fact that learning organizational practices as indicated by the name itself are designed to provide the employees with the opportunity for enhancing the skills.

Results suggested that continuous learning has a significant association with job satisfaction, this is consistent with the findings of Ghayas and Hussain (2015) where educational enhancement opportunities were used as the dimension of job satisfaction. Therefore, this research arguably paves the way for other researchers to study the learning organizational practices in relation to the other antecedents and consequences of job satisfaction. Furthermore, it is found that strategic leadership play an important role in enhancing the level of job satisfaction. This, in turn, is consistent with the previous research (e.g. Ghayas & Hussain, 2015; Ghayas, 2015) where the supervisor's support was argued to be an important ingredient of job satisfaction. This suggests that leadership styles certainly affects employee-level outcomes.

CONCLUSIONS AND POLICY IMPLICATIONS

According to the relevant literature, job satisfaction plays a critical role in each organization, for instance in creating a better environment and better coordination among Company. On the other hand, Learning Organizational Practices have seven dimensions discussed by Egan et al. (2004), strategic leadership, team learning and collaboration, empowerment, embedded systems, continuous learning, system connections, dialogue and enquiry. This research study tested the relationship between the dimensions of job satisfaction in learning organizations. Since two of the dimensions of learning organizational practices are found to be associated with job satisfaction, therefore, it is concluded that the learning organization practices affect the job satisfaction level. Therefore, it is suggested that the managers in the IT Sector should consider the importance of these two variables while designing the organizational structure. This understanding is certainly helpful for the managers to design the policies in such a manner that can enhance job satisfaction among the employees and can thus result in positive work outcomes.

Recommendations

Since Continuous learning dimension of learning organizational practices have a significant impact on job satisfaction, therefore, it is recommended that managers in the IT sector of Karachi should concentrate on the continuous learning for enhancing the level of satisfaction among the employees of the IT sector of Karachi. Furthermore, since strategic leadership dimension also has a significant impact on job satisfaction, therefore, it is recommended that managers in the IT sector of Karachi should concentrate on the leadership practices for enhancing the level of satisfaction. Hence, the study provides with the readers with the understanding that how job satisfaction level may be altered. This research study provides several research avenues for new researchers. Although, Egan et al. (2004) have previously proposed that learning organizational practices be studied in relation to work outcomes such as motivation and organizational commitment etc. However, research in this direction is still in the nascent phase. Therefore, there is a need to study learning organizational practices in relation to motivation, employee engagement, organizational commitment and turnover intentions. Furthermore, it is also suggested that it be studied that if the different generations have different priorities when it comes to learning organizational practices.

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